



Special Notice

WASHINGTON STATE DEPARTMENT OF REVENUE

AUGUST 21, 2015

Hazardous Substance Tax Exemption for agricultural crop protection products

Introduction

New legislation provides an exemption from the Hazardous Substance Tax for possession of agricultural crop protection products that are warehoused, but not otherwise used or sold, in Washington. [Engrossed Substitute Senate Bill \(ESSB\) 6057](#) Part XIX; Chapter 6, Laws of 2015.

Effective date

September 1, 2015.

Exemption explained

The law provides an exemption from the hazardous substance tax for possession of any substance that is:

- A pesticide as defined in RCW [82.21.020](#)(1)(c);
- Solely for use by a farmer or certified applicator as an agricultural crop protection product;
- Warehoused in Washington, or transported to or from Washington; and
- Not otherwise used, manufactured, packaged for sale or sold in Washington.

Obtaining/claiming the exemption

Persons claiming this exemption must continue to report their full gross amount (wholesale value of items subject to the tax) on the excise tax return under the Hazardous Substance classification and then take a deduction under Crop Protection Products for the amount (wholesale value) exempt from taxation.

Annual Tax Incentive Survey required

Persons who claim this exemption are required to complete an Annual Tax Incentive Survey by April 30th of the year after the exemption has been claimed; this survey must be filed electronically. To file your survey, go to our website at www.dor.wa.gov and login to My Account. If you don't have an online account with the Department of Revenue, click on Join Now and follow the prompts. Once you're logged in, click on Credits & Tax Incentives, then File Tax Incentive Survey/Report and complete the survey.

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For tax assistance or to request this document in an alternate format, visit <http://dor.wa.gov> or call 1-800-647-7706. Teletype (TTY) users may use the Washington Relay Service by calling 711.

Definitions:

Agricultural crop protection product

The term means a chemical regulated under the federal insecticide, fungicide, and rodenticide act when used to prevent, destroy, repel, mitigate, or control predators, diseases, weeds, or other pests.

Agricultural product:

Means any product of plant cultivation or animal husbandry including, but not limited to: A product of horticulture, grain cultivation, vermiculture, viticulture, or aquaculture as defined in RCW [15.85.020](#); plantation Christmas trees; short-rotation hardwoods as defined in RCW [84.33.035](#); turf; or any animal including but not limited to an animal that is a private sector cultured aquatic product as defined in RCW [15.85.020](#), or a bird, or insect, or the substances obtained from such an animal. "Agricultural product" does not include marijuana, useable marijuana, or marijuana-infused products, or animals defined as pet animals under RCW [16.70.020](#). (RCW [82.04.213](#))

Certified applicator:

Means any individual who is licensed as a commercial pesticide applicator, commercial pesticide operator, public operator, private-commercial applicator, demonstration and research applicator, private applicator, limited private applicator, rancher private applicator, or any other individual who is certified by the director to use or supervise the use of any pesticide which is classified by the EPA or the director as a restricted use pesticide. (RCW [17.21.020](#))

Farmer:

Means any person engaged in the business of growing, raising, or producing, upon the person's own lands or upon the lands in which the person has a present right of possession, any agricultural product to be sold. "Farmer" does not include a person growing, raising, or producing such products for the person's own consumption; a person selling any animal or substance obtained therefrom in connection with the person's business of operating a stockyard or a slaughter or packing house; or a person in respect to the business of taking, cultivating, or raising timber. (RCW [82.04.213](#))

Manufacturing of crop protection products:

For the purposes of this law, the term "manufacturing" includes mixing or combining agricultural crop protection products with other chemicals or other agricultural crop protection products.

Packaging for sale:

The term includes transferring agricultural crop protection products from one container to another, including the transfer of fumigants and other liquid or gaseous chemicals from one tank to another.

For more information

Visit our website at: www.dor.wa.gov, send an email to dorcommunications@dor.wa.gov, or call the Department's Telephone Information Center at (800) 647-7706.